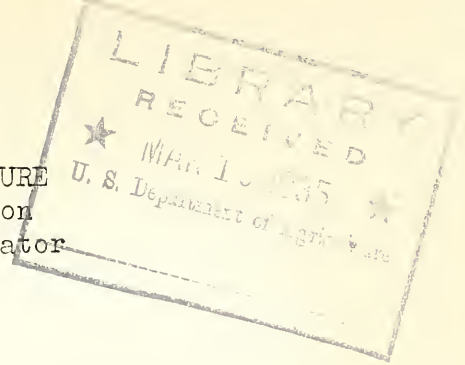


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information



No. 67

February 23, 1935.

TO FARM JOURNAL EDITORS:

The following information is for your use.

DeWitt C. Wing and Francis A. Flood

DeWitt C. Wing and Francis A. Flood,
Specialists in Information.

MORE THAN 450,000 FARMERS SIGN FOR 1935 CORN-HOG CONTRACT

More than 450,000 farmers have signed applications for the 1935 corn-hog adjustment contract, it is announced today by Dr. A. G. Black, chief of the corn-hog section. This estimate was based on reports from extension directors in the major corn and hog growing states. More than half of the number of applications expected to be signed in such states have been completed in Iowa, Kansas, Nebraska, Missouri, Oklahoma, South Dakota and Texas.

The total number of applications received in each of the major Corn Belt States, as of February 18, is as follows: Iowa, 100,000; Missouri, 50,000; Nebraska, 50,000; Kansas, 36,360; Illinois, 15,320; Indiana, 20,000; Ohio, 12,000; South Dakota, 25,000. In Minnesota it is estimated that about 40,000 to 45,000 or about one-half of the expected number of the expected number of signers have made application. Signing is just beginning in Wisconsin.

Outside the Corn Belt, Oklahoma reports 25,000 signers thus far; Texas, 20,000; Tennessee, 6,700; Kentucky, 7,000; North Carolina, 900; Arkansas, 8,000; Alabama, 500. Reports are not now available for other States, but it is known that signing is now under way in many of them.

"The progress of the 1935 sign-up campaign to date is gratifying," Dr. Black said. "Local road and weather conditions have been very unfavorable in many areas and the signing has been under way only about a month. Yet farmers are somewhat ahead of last year's schedule. Corn-hog officials in most States expect nearly all applications to be in by the middle or the latter part of March.

"The new reports from the various States further indicate that the corn and hog production to be represented by the 1935 contract signers probably will compare favorably with the total production put under contract last year. It is expected that the majority of signers will hold out of corn production nearer the maximum of 30 percent of the base (1932-1933 average) acreage than the new minimum of 10 percent allowed under the new contract. Some extension directors

in the Corn Belt indicate that over 20 percent of the base acreage, or approximately as much land as in 1934, will be held out of corn this year."

A heavy sign-up is essential, Dr. Black emphasized, if corn and hog farmers are really to eliminate danger of an excessive corn crop in 1935. With livestock numbers at a low level, and without effective control of acreage, it would easily be possible to raise a surplus over needs of three or four times the normal carry-over. He said such an excess of corn not only would drive down corn prices by next fall but would set in motion a sharp swing back to heavy livestock production, particularly of hogs. In that way, corn-hog farmers of this country could lose the gains they have made under the Agricultural Adjustment Act.

#

FREIGHT CUT TO MOVE NORTH PACIFIC WHEAT FOR DROUGHT FEED

A plan with the dual purpose of removing a regional surplus of wheat in the Pacific Northwest and of relieving feed shortage in four Northwestern States was inaugurated February 20 by the publication of emergency freight rates which bring about a 25 percent reduction from normal rates on carloads of cracked soft white wheat in sacks, or on whole soft white wheat to be cracked and sacked in transit, moving from Idaho, Oregon, and Washington, to officially designated drought counties in Montana, North Dakota, South Dakota, and Wyoming.

The rates were filed by railroads in the Western territory, in cooperation with the program of the Department of Agriculture to make additional feed available to livestock feeders in the drought area of these four states, and were authorized for publication by the Interstate Commerce Commission on less than the usual 30-day notice, becoming effective February 20.

The reduced rates apply only to shipments consigned by the North Pacific Emergency Export Association, or a similar non-profit corporation acting under an agreement with the Department of Agriculture. However, membership in this Association is open to producers, associations of producers, and other grain handlers in the Pacific Northwest who wish to take advantage of the opportunity to move wheat into the drought states for feeding purposes. Livestock feeders purchasing such cracked wheat will be entitled to the freight discount on presentation of certificates, to be issued by county agents, certifying that such wheat is for feed use only, and will not be sold or traded for profit. The reduced rates will apply only on shipments leaving point of origin not later than April 30, 1935, and when such shipments are stopped in transit for cracking and sacking, they must be forwarded from the transit point not later than May 10, 1935. All certificates for reduced rates must be surrendered on or before May 15, 1935.

It is estimated that the surplus of wheat in the Pacific Northwest is between 7 and 10 million bushels. The demand for this type of wheat is limited, as it is largely used for mixing with other wheats, and in special flours. This wheat would ordinarily move into export channels, but because of the unusually low level of export demand has not been absorbed. Because of this regional surplus condition, market quotations for wheat on the Pacific Coast have averaged 12 to 15 cents per bushel below prices in the middlewest markets, and there has been little demand for it even at the low prices.

To facilitate the movement of soft wheat for feed use, and to work down the regional surplus, the Administration is developing the possibility for using the machinery existing under the North Pacific Export Association, through amendment of the present agreement, to make a differential payment to producers selling white wheat through the Association for feed in the drought areas to which reduced rates apply. This payment would assist in moving the surplus by assuring drought feeders that the cost of such wheat, plus reduced freight, would be at such a level as would permit its use as feed. At the present time the average price of this wheat in the Pacific Northwest, plus normal freight, would place the cost of such wheat at over \$1 per bushel. Through a differential payment of around 17 cents per bushel, and with the rates reduced to about 29.5 cents or less per bushel, dependent on destination feeders could obtain the wheat at a cost more in line with cost of other feeds.

The local distribution of cracked wheat will be handled under agreements by dealers to distribute on a service charge basis, and thus assure that the differential payment and the freight reduction are fully reflected in the price to feeders.

#

CONFERENCE WITH CATTLE PRODUCERS

Representatives of the country's cattle producers have been called to Washington for conference February 27 and 28 to discuss with Administration officials the present cattle situation, the future problems of the industry, and the proposed amendments to the Agricultural Adjustment Act.

The invitations were issued by Chester C. Davis, Administrator of the Adjustment Act, to the cattle industry's Committee of Twenty-Five and others who have met with the committee in an advisory capacity.

Those invited to the meeting are: C. J. Abbott, Hyannis, Neb.; A. L. Berg, Baltic, S. D.; Dolph Briscoe, Uvalde, Texas; Elmer Brock, Kaycee, Wyo.; L. A. Chapin, New York City; Charles E. Collins, Kit Carson, Colo.; Maurice E. Douglas, Flat Rock, Ind.; Marion R. Finley, Hoopeston, Ill.; Thomas B. Glascock, Upperville, Va.; R. M. Gunn, Buckingham, Iowa; Kenneth Hones, Colfax, Wis.; Carl S. Horn, Hay Springs, Neb.; F. F. McArthur, Oakland, Iowa; J. H. Mercer, Topeka, Kans.; W. B. Mount, Shouns, Tenn.; Herman Oliver, John Day, Ore.; A. J. Oleson, Renville, Minn.; E. E. Parke, Genoa, Ill.; Judge G. W. Rittenhour, Piketon, Ohio; Joe Robinson, Mercer, Pa.; Tom Ross, Chinook, Mont.; Hubbard Russell, Los Angeles; J. Blaine Shaum, Tarkio, Mo.; E. B. Weatherly, Cochran, Ga.; Willard Edwards, Humboldt, Iowa; George M. Lester, Bains, La.; and Grover B. Hill, Amarillo, Tex.

#

AMENDED MILK LICENSE FOR GREATER BOSTON AREA

Following public hearings at Burlington, Vermont, January 28-29, and at Boston, January 30, an amended license for the Greater Boston milk sales

area has been completed by the Agricultural Adjustment Administration. The amended license was signed February 21 by Secretary of Agriculture Henry A. Wallace and becomes effective on February 24.

From the effective date of the amended license until May 1, 1935, the established price of Class I milk payable by distributors, f.o.b. the sales area, will be \$3.49 per 100 pounds, or about $7\frac{1}{2}$ cents a quart, for milk testing 3.7 percent butterfat. This represents an increase of 23 cents per 100 pounds in the Class I price above the level of \$3.26 per 100 pounds, or 7 cents a quart, which has prevailed under the license as amended October 1, 1934. Further adjustments in the Class I price after May 1 will be made if necessary, according to the relation of production to consumption and other economic factors which may develop on the market in the meantime.

The advanced price to producers was sought by the New England Milk Producers' Association because of higher feed prices, and a rapid upward trend in the butter market. Careful consideration was accorded the evidence taken at the hearing in respect to prices for milk to producers, and due weight was given to the possible effect of price increases on both rate of production and consumer demand.

The nature of the other principal changes contained in the amended license are as follows: The addition of chocolate or flavored milk to Class I definition; an additional exemption privilege for producer-distributors; the inclusion of a provision to prevent cream dumping on the Boston market by outside distributors; a new clause authorizing the market administrator to announce pool prices for milk in terms of different methods of payment to producers used by cooperatives; and the use of a provision to establish an advisory committee composed of producers and distributors to aid in the functioning of the license.

The inclusion of chocolate or flavored milk in the Class I sales list has already been adopted on the market as practical, and the change in the classification merely reflects what is already in accepted use.

The number of producer-distributors in the Boston market is small, but the exemption on their milk in the pool computation has been increased from 250 quarts to 500 quarts daily of their regular retail route sales.

A new provision, used in several other licenses, is added, which prohibits distributors selling cream in the Boston market at prices lower than the market prices prevailing nearest the source of origin, plus reasonable transportation charges.

Owing to the usual custom on this market of rendering reports to members of cooperatives on different systems and computations, involving a variety of financial relations peculiar to the respective organizations, the license has been changed so as to make it clear to all producers what price they are receiving in relation to the Federal license schedule and in relation to what members of other cooperatives get. The amended license provides that the market administrator shall first announce the price for milk according to the Federal base-rating plan and the computations for the current period on that basis. He is then obliged to announce the same price in terms of the various payment systems in operation throughout the area by the various cooperative groups. Consequently information as to the exact net return to members of the

various groups will be made available in each regular period. This provision was sought by the agencies on the market to develop greater confidence and for the sake of greater clarity.

It is also provided that cooperatives must render statements to the market administrator covering deductions, charges, dividends or premiums made to their own membership.

#

CHANGES IN SAVANNAH, GEORGIA, MILK LICENSE

At the request of the Better Milk Cooperative League, representing producer-distributors and wholesale producers for Savannah, Ga., the license for that area has been amended. It will become effective March 1.

The amended license provides a delivery period of one month instead of semi-monthly; permission for the market administrator to increase the percentage of established base which may be considered as delivered base milk for producers up to 120 percent to meet emergency shortages; the exemption of sales of bulk milk by producer-distributors to other producer-distributors from the Class 3 price provision; permission for producer-distributors to sell cream to other distributors without being subject to the Class 3 accounting requirement; and the addition to the license of the standard 90-day clause providing for payment of the Class 3 price for that term to new producers entering the market.

The change in the delivery period makes for simpler operation of the license. The change in the provision for adjustment of base rating is made so as to prevent discrimination against certain producers whose cows freshen during the usual fall shortage period. Previously some of them have been obliged to accept Class 3 price for excess over base deliveries while at the same time considerable milk is being imported from other states to meet the demand. The new provision gives the market administrator power to adjust bases 20 percent during the period of shortage so producers may better regulate their deliveries at such times and save the expense of importing outside milk.

The technical amendments relating to producer-distributors are made to meet the practical requirements of the market, and to prevent discrimination and avoidance of the license obligations by distributors who do not buy any milk from wholesale producers, but who merely deal among themselves to supply each other's milk requirements.

The addition of the clause requiring new producers to accept the Class 3 price for 90 days is deemed essential to discourage the irregular producers and to keep the market from being heavily oversupplied during flush seasons.

#

ST. LOUIS MILK LICENSE AMENDED

An amendment to the existing license for the St. Louis milk sales area has been completed by the Agricultural Adjustment Administration, which changes the deduction used by the market administrator for rendering market services to non-members of the cooperative association from 3 cents to 4 cents per 100 pounds of milk. The amendment went into effect February 22.

#

SUGAR BEET PRODUCERS AT ALLOTMENT CONFERENCE

Representatives of leading sugar beet producers' organizations of the country who have been active in development of the sugar-beet adjustment program, have been invited to Washington for a conference today, Saturday, February 23. At this conference the procedure for making final adjustments in individual farm acreage allotments to sugar beet farmers for the 1935 crop will be developed, the Sugar Section of the Agricultural Adjustment Administration has announced.

"Sugar beet production adjustment contracts have now been signed by farmers in the principal producing areas and a tentative procedure for adjusting the allotments on the basis of these contracts has been developed," John E. Dalton, chief of the Sugar Section, said. "However, before the procedure is put into actual operation, the Sugar Section desires to have the benefit of suggestions of actual sugar beet producers or their representatives, as was the case in the earlier stages of the program."

Leaders in the sugar beet growing industry invited to the conference include Charles M. Kearney, president, National Beet Growers' Association, Morrill, Neb.; Frank Oberst, St. Louis Beet Growers' Association, Breckenridge, Mich.; J. D. Pancake, secretary, National Beet Growers' Association, Greeley, Colo.; F. E. Huddleston, director, National Beet Growers' Association, Billings, Mont.; S. K. Warrick, president Non-Stock Cooperative Beet Growers' Association, Scottsbluff, Neb.; George T. Cobbley, Idaho Beet Growers' Association, Blackfoot, Idaho, and J. W. Rawlins, vice-president Utah Sugar Beet Association, Draper, Utah.

California producers have not been called to this conference, as a procedure has already been placed in operation in that area, because of the earlier planting season.

#

DISTRICT SUGAR BEET ACREAGE ALLOTMENT FOR 1935

Acreage allotments for 1935 for sugar beet growing districts, from which farmers' acreage allotments for this year's crop will be made, have been announced by the Sugar Section of the Agricultural Adjustment Administration. Tentative allotments by districts were announced in December. The allotments just announced have been made following a public hearing held in Chicago on December 28, at which various groups petitioned for adjustments.

The acreage allotments announced furnish the basis upon which individual acreage allotments will be made to farmers who have signed sugar beet production adjustment contracts in the program of the Agricultural Adjustment Administration. It is expected that some districts will not plant the full acreage of their allotments. Unused portions of allotments are to be returned to a national reserve. From this reserve additional acreage may be allotted by the Secretary of Agriculture to other districts.

At the public hearing in Chicago petitions were filed asking for adjustments of the tentative allotments which would give more representative allotments for certain districts. The decisions of the Secretary of Agriculture on those petitions have been forwarded by letter to the respective petitioners. The adjustments made provide somewhat larger acreages for the districts served by beet sugar factories at Paulding, Ohio, and Decatur, Ind. Adjustments have also been made among a number of the districts served by factories of the Great Western Sugar Co. to give more representative allotments, in view of the five-year records of the factory districts concerned. In every case, the allotment to each factory district is 90 percent or more of the acreage planted in that district in 1933, the year of record high plantings for the country as a whole.

In the acreage allotments listed, the acreage allotments for seven districts in Michigan served by the Michigan Sugar Co. have been grouped in one total, pending further adjustments requested at a public hearing held at East Lansing, Michigan, on February 14.

The following are the adjusted allotments by states and factory districts:

<u>COMPANY PROCESSING BEETS</u>	<u>AGRICULTURAL DISTRICT</u>	<u>ACRES</u>
<u>California</u>		
Amalgamated Sugar Co.	Clarksburg	10,000
American Crystal Sugar Co.	Oxnard	22,075
Holly Sugar Corp.	Santa Ana-Dyer	6,792
" " "	Tracy-Alvarado	21,237
Los Alamitos Sugar Co.	Los Alamitos	4,892
Spreckels Sugar Co.	Spreckels	18,602
Spreckels Sugar Co.	Manteca	35,170
Union Sugar Co.	Betteravia	6,159
<u>Colorado</u>		
American Crystal Sugar Co.	Rocky Ford	22,081
Great Western Sugar Co.	Brighton	11,253
" " " "	Brush	9,824
" " " "	Eaton	17,664
" " " "	Fort Lupton	13,115
" " " "	Fort Morgan	13,857
" " " "	Fort Collins	14,152
" " " "	Greeley	15,316
" " " "	Longmont	17,145
" " " "	Loveland	11,926
" " " "	Ovid	12,731
" " " "	Sterling	13,883
" " " "	Windsor	11,596
Holly Sugar Corp.	Delta-Grand Jct.	13,207
" " "	Swink	12,929
National Sugar Mfg. Co.	Sugar City	5,800

<u>COMPANY PROCESSING BEETS</u>	<u>AGRICULTURAL DISTRICT</u>	<u>ACRES</u>
<u>Idaho</u>		
Amalgamated Sugar Co.	Burley-Twin Falls	23,036
Franklin County Sugar Co.	Preston	8,241
Utah-Idaho Sugar Co.	Upper Snake River Valley	37,960
<u>Indiana</u>		
Central Sugar Co.	Decatur	10,557
<u>Iowa</u>		
American Crystal Sugar Co.	Mason City	16,824
<u>Kansas</u>		
Garden City Co.	Garden City	13,702
<u>Michigan</u>		
Great Lakes Sugar Co.	Blissfield	13,240
Isabella Sugar Co.	Mt. Pleasant	14,541
Lake Shore Sugar Co.	Holland	4,607
Michigan Sugar Co.	All districts served by the Michigan Sugar Co.	75,401
Monitor Sugar Co.	Bay City	17,234
Northeastern Sugar Co.	Mt. Clemens	11,700
St. Louis Sugar Co.	St. Louis	8,400
Superior Sugar Ref. Co.	Menominee	9,380
West Bay City Sugar Co.	West Bay City	8,009
<u>Minnesota</u>		
American Crystal Sugar Co.	E. Grand Forks	24,094
" " " "	Chaska	16,591
<u>Montana</u>		
Amalgamated Sugar Co.	Missoula	10,714
Great Western Sugar Co.	Billings	28,524
Holly Sugar Corp.	Sidney	13,630
Utah-Idaho Sugar Co.	Chinook	8,737
<u>Nebraska</u>		
American Crystal Sugar Co.	Grand Island	8,823
Great Western Sugar Co.	Bayard	14,262
" " " "	Gering	13,166
" " " "	Lyman	7,404
" " " "	Minatare	11,692
" " " "	Mitchell	9,162
" " " "	Scottsbluff	11,098

<u>COMPANY PROCESSING BEETS</u>	<u>AGRICULTURAL DISTRICT</u>	<u>ACRES</u>
<u>Ohio</u>		
Great Lakes Sugar Co.	Fremont	8,963
" " " "	Findlay	7,873
Ohio Sugar Co.	Ottawa	9,293
Paulding Sugar Co.	Paulding	12,395
<u>Utah</u>		
Amalgamated Sugar Co.	Lewiston	13,009
" " " "	Ogden	7,813
Gunnison Sugar Co.	Centerfield	7,423
Layton Sugar Co.	Layton	7,276
Utah-Idaho Sugar Co.	Garland-Brigham City	12,615
" " " "	West Jordan	6,980
" " " "	Spanish Fork-Springville	12,302
<u>Wyoming</u>		
Great Western Sugar Co.	Lovell	9,167
" " " "	Wheatland	7,589
Holly Sugar Corp.	Sheridan	8,544
" " " "	Torrington	22,038
" " " "	Worland	9,590
<u>Wisconsin</u>		
Rock County Sugar Co.	Janesville	6,189
Menominee Sugar Co.	Green Bay	8,416
<u>South Dakota</u>		
Utah-Idaho Sugar Co.	Belle Fourche	11,571
<u>Washington</u>		
Utah-Idaho Sugar Co.	Bellingham	4,405
	# # #	

NEW SUGAR TAX REGULATIONS EFFECTIVE MARCH 1

New tax regulations of the Department of Agriculture with respect to sugar were approved by the President on February 19, 1935, being designated Sugar Regulations, Series 1, No. 1, to take effect on March 1, 1935. The new regulations combine all previous sugar processing tax regulations in one document and at the same time make certain revisions.

One of the revisions exempts from tax the processing of sugarcane into muscovado sugar when such muscovado sugar is sold for direct consumption. Muscovado is a low grade sugar produced almost exclusively in the Philippine Islands.

Another revision permits the use of the polariscopic test for sugars polarizing as low as 92 degrees, in order to determine the raw value of the sugar. Heretofore all sugars testing less than 96 degrees by the polariscope were translated into raw value by determining the total sugar content. The table of conversion factors has been revised so as to give a fixed conversion factor of 7.56 pounds of sugar raw value per gallon of sirup of cane juice, and a conversion factor of 7.36 pounds of sugar raw value per gallon of edible molasses. These conversion factors may now be applied to determine the taxable sugar content per gallon of these articles without requiring the taxpayer to determine the actual sugar content in each instance.

Revisions have been made in the definitions. The definition of refiners' sirup has been eliminated from the regulations and a definition has been given for refiners' blackstrap. Another revision has the effect of requiring the computation of the tax upon the amount of sugar which, it is established, went into the manufacture of an article partly derived from the processing of sugar beets, sugar-cane or any product or by-product thereof.

#

ADJUSTMENT CONTRACT FOR PUERTO RICAN SUGAR

A two-year program for the adjustment of Puerto Rican sugar production was set in motion February 22 with the approval by Secretary of Agriculture Wallace of the Puerto Rican sugarcane production adjustment contract, through which the program will be made effective.

"The program is designed to add to the purchasing power of producers through direct cash benefit payments during the program of approximately \$11,000,000, to balance sugar production in Puerto Rico with the Island's consumption requirements and the quota for United States consumption established for the area under the Jones-Costigan Act, and to eliminate the present surplus of sugar in the Island," John E. Dalton, chief of the Sugar Section of the Agricultural Adjustment Administration, said. "The program contemplates that each cooperating grower will have a market for his present crop and his pro rata share of the grinding allotments of the 1935-36 crop. The proration is based upon each producer's past record of production."

The inauguration of the Puerto Rican program applies the general sugar adjustment program of the Agricultural Adjustment Administration to one more of the principal areas producing sugar for United States consumption. Adjustment programs are already in effect for continental sugarcane and sugar beet producing areas, and for the Philippine Islands, and quotas on marketings have been established for the continental and insular areas of the United States, as well as for Cuba and other foreign countries. Production adjustment programs are being developed for the other areas in which the sugar adjustment program has not been put into effect.

The current crop and the carryover in Puerto Rico is in excess of the marketing outlets of the Island, which are 779,000 tons established under the provisions of the Jones-Costigan Act, and 60,000 tons for insular consumption. The current crop has now reached maturity and necessary reductions must be

brought about through limiting cane grindings for sugar. The program seeks to bring current production into balance with requirements and to eliminate most of the surplus by the end of the two-year period.

Principal features of the Puerto Rican sugar program are:

For the current (1934-35) crop.

1. Reduction by approximately 263,000 tons of the production of sugar in this year's crop.
2. Payment to cooperating producers of \$4 a ton for surplus sugarcane from the 1934-35 crop. These payments are expected to total \$8,900,000 of which approximately \$1,330,000 will be payable to producers as soon as practicable after contracts are signed and approved. The final payment on this crop will be made after the conclusion of the grinding season.
3. A grinding allotment will be given to each producer. This allotment will be his pro rata share of the allotment to the respective mill area of which he is determined by the Secretary to be a part.

For the 1935-36 crop.

1. Reduction in the production of sugar to conform to the quota to be established by the Secretary of Agriculture for 1936, and insular consumption requirement, less any adjustment to be made for surplus.
2. Payments to cooperating producers of "a sum as the Secretary shall determine, which, however, shall not be less than 35 cents a ton of sugarcane necessary to produce the 1936 sugar production allotment of this farm."
3. A grinding allotment will be given to each producer which will be his pro rata share of the allotment to the respective mill area of which he is determined by the Secretary of Agriculture to be a part. The proration will be based upon the producer's past record of production.

The production adjustment contract for Puerto Rico covers the 1934-35 and the 1935-36 crops. To be eligible to sign a contract, the grower must have control over the land for both 1935 and 1936, except that if he does not have control of the land for 1936, he may sign a contract if those who control the land for 1936 sign the contract.

The contract will run with the land, but tenants as well as owners will share in the payments.

For the present crop, the producer agrees to dispose of his excess sugarcane of his crop as the Secretary may direct.

For the 1935-36 crop, the producer may select one of the following options upon which his allotment is to be based; (1) the average production of sugar from sugarcane grown on the farm for the crop years 1930-31, 1931-32, and 1933-34; (2) 80 percent of the average production of sugar from sugarcane grown on the farm for the crop years 1931-32 and 1933-34; (3) 70 percent of the production of sugar from sugarcane grown on the farm for any one of the crop years 1931-32, or 1933-34 or 1934-35. After all producers in a mill area select their options, the total of these options for such producers is to be adjusted pro rata to the mill area processing allotment as determined by the Secretary. The total of all mill area processing allotments will equal the quota to be established for 1936, plus local consumption, less any adjustment to be made for surplus stocks.

Cane produced in excess of the amount needed to fill a producer's sugarcane allotment for 1936 is to be disposed of as provided for by the Secretary.

Under the contract, cooperating producers who are processors agree that for both the current and the 1935-36 crops they will not grind sugarcane in excess of the allotment of any producer as determined by the Secretary. Such producer-processors agree, also, to account to each grower for the sugarcane processed into sugar without deducting for or requiring such producer to purchase any sugar previously acquired from such producer.

The contract contains provisions by which the Secretary may establish minimum wages, regulate child labor and adjudicate labor disputes. The labor provisions are similar to those contained in the sugar beet and sugarcane adjustment contracts.

Two payments are to be paid to producers for the surplus sugarcane from the current crop. The first payment of 60 cents a ton on the estimated surplus sugarcane of each farm, is to be paid as soon as possible after the approval of contracts. The second payment is to be in an amount which when added to the first payment is sufficient to give the producer \$4 a ton on the surplus sugarcane of the 1934-35 crop and is payable after full compliance with the contract has been determined.

All payments are to be made to producers except where the crop is produced with the aid of tenants in which case the tenants will participate in the payments on the basis of their rental contracts. The contract provides that if there are liens against the crop, the second 1934-35 payment, in whole or in part, will be paid to the lienholders upon established proof of claim. No part, however, of the first advance payment for 1934-35 nor any part of the entire 1935-36 payment will be paid to lienholders.

The Puerto Rican adjustment contract has been developed after conferences with growers and processors and committees of these two groups. The general terms of the contract have been discussed with the head of the Farmers' Organization in Puerto Rico and the Insular Commissioner of Agriculture.

The signing of the contracts will be directly in charge of representatives of the Sugar Section.

1935 SUGAR MARKETING ALLOTMENTS TO PUERTO RICAN SUGAR COMPANIES

Allotments of 779,420 short tons of Puerto Rican sugar to be marketed in the United States during 1935 were made to 34 processors in Puerto Rico today by Secretary of Agriculture Henry A. Wallace. The marketing allotments, made under the provisions of the Jones-Costigan Amendment to the Agricultural Adjustment Act, are contained in Puerto Rico Sugar Order No. 2.

The quota establishing the amount of sugar which may be admitted from Puerto Rico to the United States during 1935 was announced on January 5 as 783,959 short tons. Overshipments of 4,539 short tons during 1934 brought the net amount to be admitted from Puerto Rico in 1935 to 779,420 short tons, the quantity covered by allotments approved today.

The marketing allotments include 100,000 short tons of surplus sugars, in addition to processing allotments of 679,420 short tons.

The order approved today allots the quota to the different mills in the Island. These mill allotments, in turn, will be broken down into allotments to individual producers.

The order is based upon findings of the Secretary of Agriculture regarding the surplus of sugar existing in the Island, the quota established for 1935, the estimated 1935 insular consumption of sugar, the total sugars available for marketing, the probable effect upon prices and stocks if no allotments were made, the necessity for a basis of allotting the surplus so that each producer may have a pro rata share of his crop processed, the basis of allotting the marketing quota, the basis of allotting surplus sugars for marketing, and the adjustment of 1934 quota under- and over-shipments of sugar.

The marketing allotment determined for each company is its pro rata share of the total marketing allotment for the Island, as based on the percentage that its past production for the years 1930-31, 1932-32, and 1933-34, is of the total average annual production of the Island for those years. This allotment is adjusted so that no processor's production is reduced to less than 75 percent of the production in 1933-34. If the company shipped in excess of, or less than, its quota for 1934, correcting adjustments are also made.

After the marketing allotment is thus determined, each processor's processing allotment for 1935 is determined by deducting from the marketing allotment, the company's pro rata share of the 100,000 short tons of surplus sugar. By this means, the surplus stocks of each company will be reduced proportionately. The order provides that each company shall process for each producer for which the mill processes cane, a pro rata share of the sugarcane necessary to fill its processing allotment.

The processing allotments, allotments for surplus stocks, and the marketing allotments for the Puerto Rican companies for 1935, as set forth in Puerto Rico Sugar Order No. 2 are as follows:

	<u>Allotments</u>	<u>surplus stocks</u>	<u>Allotments</u>
		(short tons raw value)	
Aguirre	71,410	6,670	78,080
Cambalache	27,502	5,975	33,477
Canovansas	24,349	4,220	28,569
Carmen	11,811	2,181	13,992
Coleso	27,025	3,827	30,852
Constancia (Toa)	16,078	2,075	18,153
El Ejemelo	10,820	2,536	13,356
Eureka	8,990	4	8,994
Fajardo	48,859	9,628	58,487
Guanica	89,882	19,496	109,378
Guamani	7,701	926	8,627
Herminia	2,162	24	2,186
Igualdad	9,558	-	9,558
Juanita	8,329	100	8,429
Lafayette	23,705	4,009	27,714
Plazuela-Los Canos	24,032	2,619	26,651
Monsserrate	6,705	86	6,791
Pellejas	2,098	-	2,098
Plata	8,300	-	8,300
Playa Grande	4,984	-	4,984
Rochelaise	7,837	1,301	9,138
Roig	21,482	3,986	25,468
Rufina	21,989	4,523	26,512
San Vicente	21,053	4,681	25,734
Santa Barbara	4,271	-	4,271
Soller	5,553	2	5,555
Vannina	11,185	1,505	12,690
Victoria	12,583	2,509	15,092
Eastern Sugar Associates	74,797	16,369	91,166
San Francisco	4,795	529	5,324
Caribe	5,554	219	5,773
Constancia Ponce	7,650	-	7,650
Mercedita	32,085	-	32,085
Boca Chica	14,286	-	14,286
Total	679,420	100,000	779,420

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ASPARAGUS AGREEMENT TENTATIVELY APPROVED

A marketing agreement for fresh asparagus grown in the state of California has been tentatively approved by Secretary of Agriculture Henry A. Wallace, it is announced by the Agricultural Adjustment Administration. The agreement now goes to members of the industry for signature. It seeks to increase returns to growers by regulation of supply in line with demand through the principle of proration. Alternate methods are provided. Plan A provides for proration on a volume basis, and Plan B provides for proration based on acreage.

Both Plan A and Plan B provide that the proration committee under the agreement shall determine the quantity of asparagus it is advisable to ship during any proration period and the quantity of asparagus available for shipment during the period; and shall determine the percentage relationship of the former to the latter for the purpose of making allotments to handlers. Under Plan A, when the percentage is fixed, each handler is permitted to market only as much asparagus as would equal the pro rate percentage of the asparagus produced and controlled by him during the previous period. Under Plan B the handler's share is based on the acreage of asparagus which he has authority to ship; and only that asparagus produced on a portion of the total acreage equal to the prorate percentage may be harvested for shipment.

Should asparagus harvested for shipment under Plan B exceed the quantity advisable to ship, the proration committee would be empowered to limit the number of cars shipped from any or all concentration points. Under such an order, the time of arrival of any carload of asparagus at a concentration point would determine its relative time of departure.

Administration of the agreement would be in the hands of two committees, a control committee and a proration committee. The control committee, made up of shippers, is to consist of representatives of each handler who shipped one hundred or more carloads during the previous year, and of four members elected by a majority vote of other handlers who individually shipped less than 100 cars.

The proration committee would be composed of four handlers chosen by the Control Committee, four growers elected by majority vote of all growers, and one member selected by the original eight.

The agreement has been drawn in expectation of coordination with a proposed marketing agreement for the asparagus canning industry.

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